

Message Text

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ACTION EB-08

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 NEA-10

IO-13 OIC-02 SSO-00 NSCE-00 USIE-00 INRE-00 FEA-01

AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 PA-01

AID-05 SS-15 STR-04 ITC-01 TRSE-00 PRS-01 SP-02

OMB-01 /131 W

-----128011 311216Z /46

O R 311108Z AUG 77

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 749

INFO AMEMBASSY BRUSSELS

AMEMBASSY PARIS

USMISSION USUN NEW YORK

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USEEC USOECD

DEPT PASS EB/IFD FOR WINDER AND CROWE

PASS TREASURY FOR PELIKAN AND FOWLER

E O 11652: NA

TAGS: UNCTAD

SUBJ: UNCTAD: INFORMAL GROUP B CAUCUS ON LDC DEBT

REF: GENEVA 7352

1. CAUCUS OF GROUP B COUNTRIES ON DEBT ISSUE AND MINISTERIAL
TDB ON TUESDAY, AUGUST 30 PROVIDED PRODUCTIVE DISCUSSION
ON NUMBER OF POINTS. GROUP B REAFFIRMED GENERAL AGREEMENT
THAT THERE SHOULD BE A SECOND OFFICIALS MEETING IN DECEMBER
TO PREPARE FOR MINISTERIAL, THAT THE MINISTERIAL SHOULD BE
TWO-THREE DAYS PROBABLY PRECEDED BY A WEEK-LONG OFFICIALS
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GROUP, THAT A COMMUNIQUE WOULD BE PREFERABLE TO RESOLUTIONS
(ALTHOUGH THERE IS ONLY A SLIM CHANCE OF SUCH AN OUTCOME),
AND THAT AGENDA SHOULD BE BROADENED (SEE REFTTEL FOR DETAILS).

2. GROUP B REACHED AN IMPASSE, HOWEVER, OVER HOW TO GET
AROUND US OBJECTIONS TO ANY USE OF THE US-EC PAPER OR
SUBSTANCE OF PAPER IN SECOND DEBT EXPERTS MEETING NOW

SLATED FOR NOVEMBER. IT IS UNCLEAR WHAT A DEBT EXPERTS GROUP COULD DO IF IT COULD NOT REVIEW IN SUBSTANTIVE FASHION THE MAJOR EVENT ON DEBT SINCE UNCTAD IV (THE CIEC RESULTS), EXCEPT TO REPEAT THE ACTIONS OF THE FIRST MEETING. WHILE THE US HAS ARGUED POSITION THAT THIS EMPHASIZES WHY NO SECOND MEETING IS NEEDED, IT IS CLEAR THERE WILL BE A SECOND MEETING WITH OR WITHOUT US.

3. DELEGATION SEES TWO ALTERNATIVES. US CAN DECIDE NOW NOT TO ATTEND SECOND DEBT EXPERTS GROUP, AND ALLOW GROUP B TO FORMULATE A MANDATE AS BEST THEY CAN WITHOUT US. THE DISADVANTAGE OF THIS APPROACH IS THAT IT WILL REMOVE OUR INFLUENCE FROM THE DEBT EXPERTS MEETING WHICH WILL PROVIDE MAIN BACKDROP FOR MAIN ITEM OF THE TDB MINISTERIAL, WHICH WE ARE COMMITTED TO ATTEND. WITHOUT US, GROUP B COUNTRIES WOULD LIKELY GO WITH SOME VERSION OF UK IDEA OF JUXTAPOSING US/EC AND G-19 (AND PERHAPS OTHER PAPERS), EXPLAIN DIFFERENCES AND IDENTIFY SIMILARITIES, BUT NOT REPEAT NOT NEGOTIATE. WE HAVE ADVISED UK AND OTHERS OF CORNER THIS PAINTS US INTO.

4. SECOND OPTION IS TO TRY TO GET SOMETHING POSITIVE OUT OF DEBT EXPERTS MEETING, WHICH CAN ALSO BE OF VALUE TO US IN MINISTERIAL. ONE APPROACH WOULD BE TO HAVE LIMITED OFFICIAL USE

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SENIOR REVIEW GROUP CHARGE DEBT EXPERTS WITH TASK OF PRODUCING ANALYTICAL STUDY OF DEBT SITUATION IN LLDCS, ISLAND, AND LANKLOCKED COUNTRIES USING LATEST DATA ON DEBT AND MEASURES OF DEBT BURDEN (MATURITY STRUCTURE, GRANT ELEMENT, DEBT SERVICE).

5. WORK COULD BE UNDERTAKEN FOR MEETING BY ONE OR MORE MEANS, INCLUDING SECRETARIAT PAPERS, COUNTRY PAPERS, OR WORK FOR GROUP B AS A WHOLE OR BY GROUPS OF COUNTRIES. BY TIMING MEETING FOR NOVEMBER WE SHOULD HAVE FULL YEAR 1975 DATA FROM WORLD BANK AND SOME 1976 IMF STATISTICS ON "DEBT RELATED" FINANCING ITEMS IN B/P OF LLDCS.

6. INTENTION OF SUCH AN APPROACH WOULD BE TO HAVE SOMETHING THROUGH WHICH MINISTERS COULD BE BETTER INFORMED ON ISSUES AND ENABLE THEM TO DRAW CONCLUSIONS. WE BELIEVE SUCH AN EXERCISE WOULD DEMONSTRATE LLDCS CLEARLY NOT SUFFERING FROM DEBT PROBLEM, BUT IN NEED OF RESOURCE DEVELOPMENT ALONG LINES OF SAXE (WORLD BANK) REPORT. SUCH AN EXERCISE SHOULD NOT CONFLICT WITH EFFORTS OF DEVELOPMENT COMMITTEE (DC) TO LOOK AT POLICY QUESTIONS. THUS, DC WOULD BE PLAYING LEADING

ROLE ON DEBT ISSUE AND TDB LAGGING ROLE WITH MINISTERS
REVIEWING FACTUAL STUDY AND ONGOING WORK OF DC.

7. BY ITSELF, THIS LATTER APPROACH MAY NOT BE ENOUGH

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TO SECURE GROUP B SOLIDARITY (OR G-77 CONCURRENCE).
THEY BOTH MAY INSIST THAT DEBT EXPERTS AGENDA INCLUDE
G-19 AND US-EC PAPER AMONG DOCUMENTS TO BE REVIEWED,
EXAMINED, AND COMPARED AS PART OF POST-UNCTAD IV
REVIEW PROCESS.

8. IN LARGER CONTEXT, IT IS PERCEIVED THAT G-77 IS
MOVING TOWARD IDEA THAT TDB MINISTERIAL SHOULD RESULT
IN A RESOLUTION ON DEBT SIMILAR TO THAT ON COMMODITIES
THAT RESULTED FROM UNCTAD IV, THAT IS, AGREEMENT TO A
WORK PROGRAM WITH A TIMETABLE LEADING TO SPECIFIC
ACTIONS. IT WILL BE IMPORTANT TO WORK QUICKLY IN DC
TO GET ACTIVITY LAUNCHED SO THAT BY LIKELY DECEMBER
OFFICIALS GROUP MEETING ON TDB AGENDA US AND OTHER
GROUP B MEMBERS WILL HAVE SOMETHING CONCRETE TO POINT
TO IN AVOIDING AN AGENDAY WHICH LOCKS US INTO CONCRETE
ACTION AT THE TDB ON DEBT.

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9. UNDER BEST OF CIRCUMSTANCES, HOWEVER, US IS LOCKED INTO A TDB MINISTERIAL BY RESOLUTION 94(IV) AND TDB DECISION 149 (XVI) WHICH WILL HAVE DEBT AS ITS CHIEF TOPIC. THE US WILL NEED TO DO CONSIDERABLE SPADEWORK WITH GROUP B MEMBERS AND CERTAIN LDCS IF MINISTERIAL TDB IS TO BE STRUCTURED AND PRENEGOTIATED IN SUCH A WAY AS TO AVOID AN IMPOSSIBLE FINAL NEGOTIATING SITUATION FOR MINISTERS AT TDB.

10. REQUEST WASHINGTON GUIDANCE BY OPENING BUSINESS THURSDAY ON: (A) OPTIONS FOR DEALING WITH SECOND MEETING IGG, (B) LANGUAGE AND/OR IDEAS FOR TERMS OF REFERENCE OF FACTUAL, ANALYTICAL STUDY, IF WASHINGTON CONCURS THIS IS VIABLE APPROACH, (C) NEW IDEAS FOR TREATMENT DEBT AT MINISTERIAL, AND (D) OUR REACTION TO GROUP B AND/OR G-77 INSISTENCE REVIEW OF SUBSTANCE AND/OR PAPERS G-19 AND US/EC CIEC PAPERS.

11. THERE IS SOME SENTIMENT, EXPRESSED BY INDONESIANS AND OTHERS, THAT PERHAPS WE SHOULD FORGET CIEC, AND SPLIT TREATMENT OF DEBT WORK IN UNCTAD INTO TWO PARTS: LLDC'S AND OTHER LDC'S. IDEA OF US FOR IGCC DEBT STUDY ON LLDC'S WOULD DOVETAIL NICELY INTO THIS SINCE LDC'S PROBLEM IS RESOURCE DEVELOPMENT AND OTHER LDC'S CLEARLY NOT INTERESTED IN DEBT RELIEF.

12. PER MEISSNER/NACHMANOF TELECON, CANNER PLANS TO RETURN THIS WEEKEND. REQUEST CROWE BE IN GENEVA FOR MONDAY AFTERNOON MEETING. CANNER WILL COORDINATE WITH CROW IN WASHINGTON SATURDAY PRIOR TO HIS DEPARTURE.

13. MEISSNER FOR KATZ: I WOULD LIKE TO MEET YOU IN LONDON OR GENEVA ON WEEKEND OF SEPTEMBER 10/11 TO GET AN UPDATE

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ON WHAT IS HAPPENING IN WASHINGTON. WILL YOUR TRAVEL PLANS TO THE SUGAR CONFERENCE ACCOMMODATE SUCH A MEETING?
VANDEN HEUVEL

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Message Attributes

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